Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 PARIS 37271 221236Z
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 SP-02 USIA-15 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01
L-03 H-02 PA-02 PRS-01 CIAE-00 COME-00 FRB-01
INR-07 NEA-10 NSAE-00 OPIC-06 LAB-04 SIL-01
AGRE-00 /133 W
----------124791 221305Z /53
R 221209Z DEC 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3465
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION GENEVA
AMCONSUL BORDEAUX
AMCONSUL LYON
AMCONSUL MARSEILLE
AMCONSUL NICE
AMCONSUL STRASBOURG

UNCLAS PARIS 37271

USMTN: PARIS PASS OECD

USEEC

PASS TREASURY, FEDERAL RESERVE, COMMERCE, LABOR

E.O. 11652: N/A
TAGS: EALR, EFIN, EGEN, FR
SUBJECT: BARRE'S COMMENTS ON RECENT EXCHANGE MARKET DEVELOPMENTS

AT A LUNCHEON WITH THE ECONOMIC PRESS ON DECEMBER 20,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 37271 221236Z

PM BARRE MADE THE FOLLOWING COMMENTS CONCERNING RECENT EXCHANGE MARKET DEVELOPMENTS.

FOR THE PAST YEAR, THE FRANC HAS REMAINED STABLE WITH RESPECT TO THE CURRENCIES OF THE 19 LARGEST COUNTRIES IN INTERNATIONAL TRADE. THE FRANC HAS APPRECIATED AGAINST THE DOLLAR WHICH IS USED TO DE-

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

NOMINATE FRANCE'S PURCHASES OF PETROLEUM AND
PRIMARY MATERIALS AND WHICH IS THE MEANS OF
PAYMENT FOR A THIRD OF ITS TOTAL PAYMENTS.

THE CRISIS ON THE FOREIGN EXCHANGE MARKET SINCE
SEPTEMBER IS NOT A FRANC CRISIS, IT IS A CRISIS
WHICH AFFECTS THE RELATION BETWEEN THE DOLLAR, THE
MARK AND THE YEN. THE PRIME MINISTER THINKS
THAT AT THE CURRENT EXCHANGE RATES, THE MARK IS
CLEARLY OVERVALUED WITH RESPECT TO THE DOLLAR.
CONCERNING FRANCE, HE FEELS THAT IT WOULD BE IN
VAIN TO FIGHT AGAINST A WAVE OF SPECULATION WHICH
INVOLVES OTHER CURRENCIES AND WHICH DOES NOT APPEAR
WITHIN THE CONTROL OF THE COUNTRIES DIRECTLY
AFFECTED.

BARRE REMINDED THOSE WHO FEAR THE PERVERSE EFFECTS
OF THE INCREASE OF THE MARK WITH RESPECT TO THE
FRANC TO REMEMBER THAT FRENCH IMPORTS ORIGINATING
FROM GERMANY ARE NOT NECESSITIES, THEY REPRESENT
ONLY 18 PERCENT OF TOTAL FRENCH IMPORTS, AND
FRANCE'S DEFICIT VIS-A-VIS GERMANY IS
APPROXIMATELY FF 10 BILLION. BARRE SAID THAT FRANCE
COULD REJOICE IN THE CURRENT DEVELOPMENT OF EXCHANGE
RATES, EXCEPT THAT THEY MIGHT ADVERSELY AFFECT
THE STABILITY OF THE EC COUNTRY CURRENCIES AND
UNCLASSIFIED

MAKE ECONOMIC GROWTH IN THE FRG MORE DIFFICULT.
REGARDING THE APPRECIATION OF THE SWISS FRANC
WITH RESPECT TO THE FRENCH FRANC, IT AFFECTS
ONLY CAPITAL OUTFLOWS AND TOURISM; THEREFORE, FRANCE
HAS NO FUNDAMENTAL REASON TO BE UPSET BY IT.

IN REPLY TO A QUESTION ABOUT THE DOLLAR/FRANC EXCHANGE
RATE, BARRE SAID THAT IT WAS EXTREMELY DIFFICULT
TO DEFINE WHAT IT SHOULD BE. HE COULD SIMPLY
NOTE THAT ON THE EXCHANGE MARKET FOREIGN TRADE
DEALERS THINK THAT THE FRANC SHOULD
APPRECIATE WITH RESPECT TO THE DOLLAR.
HARTMAN

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, MARKETS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS37271
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770477-0999
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771226/aaaaavsq.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 151249fe-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 146534
Secure: OPEN
Status: NATIVE
Subject: BARRE\'S COMMENTS ON RECENT EXCHANGE MARKET DEVELOPMENTS AT A LUNCHEON WITH THE ECONOMIC PRESS ON DECEMBER
TAGS: EALR, EFIN, EGEN, FR, (BARRE, RAYMOND)
To: STATE USEEC
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/151249fe-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009